

CASE # 13-53846

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I am filing an objection to plan of adjustment for the City of Detroit proposed by Kevin Orr because it fails to address the major component that must be dealt with for Detroit's financial bleeding to stop, residency for City of Detroit workers. Health care costs for retirees are most definitely a problem, but a national problem that Detroit can't solve, residency is a situation that Detroit can solve. It is not unreasonable to ask unions for Detroit workers to agree to some type of agreement on residency for Detroit Workers in exchange for preferred consideration in retirees pension costs. If the residency problem is not properly addressed five to ten years from now retirees and city workers will be asked to take more cuts because Detroit will be in another financial bind. Without solving the residency question the Detroit Bankruptcy case won't cure Detroit's financial woes.

Almost 10,000 City of Detroit workers now reside outside of the city. Add to that the family members of these non resident city workers and all of a sudden now you are talking about a loss of population that easily may exceed 30,000 – 40,000 residents. I am not sure if this figure includes teachers in the Detroit Public School System. Some estimates place the loss of population since the 1999 law that repealed residency at over 100,000 people. Former Chicago Mayor Daly said during an assault on Chicago's residency requirement by the police and firefighters unions that if a city loses residency for city workers it loses it's middle class and becomes Detroit. Residency requirements for city workers was upheld in 1976 by The U.S. Supreme Court in *McCarthy v. Philadelphia Civil Service Commission*.

Mayor Tom Bennett of Milwaukee says that 53% of Detroit's police force has moved of the city after the residency rule was lifted. Detroit admitted to this number being correct. Also he said that if proponents of removing residency requirements want Milwaukee's tax base to resemble the tax base of Detroit, getting rid of residency is the way to go. Surveys have found that 70% of Minneapolis city employees live outside of the city since residency was repealed in 1999 and in Baltimore 65% of it's city workers live outside of the city since residency requirements were lifted in 1995. Several other cities were found to have residency requirements by the Milwaukee Legislative Reference Bureau including Boston, Chicago, New Orleans, Philadelphia and Pittsburgh. The loss of residency for Detroit workers has decimated formally middle-class neighborhoods and cost Detroit 10s of millions of dollars. Detroit City Clerk Janice Winfrey agrees, saying when residency is not required, the city loses it's tax base.

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The loss of these middle class families also contributed greatly to retail loss in Detroit with these families no longer living in Detroit and purchasing goods and services in Detroit. Add to this the loss of school age children in the Detroit Public Schools and we are talking about a staggering financial loss to Detroit. Another factor is with less than half of Detroit's police force living in the city the neighborhood policing that exists when police live in your neighborhood no longer exists.

With such a sizable chunk of Detroit's annual budget being used to pay the salaries of city workers that do not live in Detroit, city worker unions giving concessions on residency requirements not only will be vital to the financial stability of Detroit but is the only way to save future jobs and worker pensions. It may not be feasible to expect present city workers living outside of Detroit that own their homes or have a present mortgage to uproot their families and move to Detroit, but having a minimum of a five to seven residency requirement for new city hires is well within reason, although I believe new hires should be required to live in the city during their years of city employment.

Some type of consideration, reward or tax break for present city employees and retirees who as a city employee once told me stayed in Detroit and paid their way may be in order and encourage some to move back into Detroit. There should also be residency requirements for all City of Detroit Department Heads. The mayor and City Council members are required to live in Detroit, why can't city department heads? If these department heads prefer not to live in Detroit the city is full of many people that can successfully run the departments.

Thank You for Your Time.

Timothy King

Timothy Jay King
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